

New State Budget Takes Land Conservation Monies for General Fund

On June 24th, the New Hampshire legislature passed a new two-year state budget funded by revenue dedicated to the Land and Community Heritage Investment Program (LCHIP). More specifically, the budget diverts half of LCHIP's revenue in the second year of the biennium to fund other state government activities. This taking is in addition to the \$3.5 million—all remaining general funds in the program's account—that were seized earlier in the year.

LCHIP was created by the legislature in 2000 to spur public and private investment in the conservation of the state's most important natural and historic resources. To date, LCHIP has awarded grants to 107 communities throughout the state, helping to conserve 220,000 acres of land and 88 historic structures. Every dollar invested by LCHIP has leveraged an additional \$5.79 in other local, private, and federal funds.

After eight years of on-again, off-again funding through the state's general budget, the legislature concluded in 2007 that LCHIP needed a dedicated funding source if it was to fulfill its mission. To this end, it established a \$25 surcharge on documents recorded at the county registries of deeds, earmarking the revenues to LCHIP. This strategy had the dual benefit of making general funds previously used for LCHIP available for other purposes while ensuring that appropriate levels of funding for the popular land conservation program would be available in good times and bad. This agreement to transition to a dedicated funding source was re-affirmed by the House and Senate in 2008.

This year, both the Governor's and the House's versions of the budget honored this commitment, leaving LCHIP's dedicated funding source intact. However, the Senate budget recommended siphoning 50 percent of LCHIP's funding in both years of the biennium. During final negotiations, the House and Senate agreed to divert the revenue in the second year only.

The Forest Society is profoundly disappointed that the monies dedicated to LCHIP will be diverted to the general fund. "We recognize the extremely difficult task that faced the budget negotiators this year," said Forest Society President/Forester Jane Difley. "However, registrars and those who have paid the fee believed they were supporting land conservation and historic preservation, not making a contribution to the general fund.

Going forward, the Forest Society will be watching closely to see that the LCHIP raid is not repeated, particularly if additional budget adjustments are required during FY10. We will also be looking to the legislature to undo the proposed taking if state revenues regain their footing in the coming year.